

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6480

BILL NUMBER: HB 1110

NOTE PREPARED: Jan 7, 2014

BILL AMENDED:

SUBJECT: Department of Child Services.

FIRST AUTHOR: Rep. Mahan

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
☒ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill makes various changes to provisions concerning child welfare, including:

- (1) The contents of notices sent out by the Director of the Department of Natural Resources (DNR) to individuals who are delinquent in paying child support;
- (2) The definition of "relative" for purposes of provisions concerning residential child care, collaborative care, and the placement of children who are children in need of services (CHINS);
- (3) The issuance and implementation of income withholding orders;
- (4) Information reviewed by the residential placement committee;
- (5) The disclosure of reports and other materials concerning investigations and reports of children who are or are alleged to be CHINS and child fatalities or near fatalities; and
- (6) The placement of children who are or alleged to be CHINS.

The bill also makes a technical correction and repeals a provision concerning foster care licenses.

Effective Date: July 1, 2014.

Explanation of State Expenditures: *Summary:* This bill could decrease DCS workload to conduct placement review committees (PRC) for out-of-home placements where the DCS concurred from the pre-dispositional recommendation.

Additional Information: Currently, when a juvenile delinquent child is placed out-of-home, (1) DCS placement consultants review recommendations made in a pre-dispositional report and either concur with,

or dissent from, the recommendation and (2) the probation department requests a placement review committee after the child has been placed out-of-home for 60 days to ensure the placement is in the child's best interest. The PRC is made up of probation department and DCS staff and is called for every out-of-home placement that exceeds 60 days, including those placements the DCS concurs with.

The bill will require that a PRC only be required when the court and the DCS are not in agreement on a placement. As a result, DCS and probation department workload could decrease by not holding PRCs when the court and the DCS are in agreement.

Explanation of State Revenues: *Summary:* This bill could increase child support collections in the state. To the extent this occurs, the state could receive additional federal IV-D grant funds. Increases in federal revenue are indeterminable, but expected to be small.

Additional Information: The bill requires income withholding for individuals who owe between \$10 and \$500 in child support arrears. Currently, income withholding starts when an individual owes more than \$500 in arrears. This change could increase child support collections in the state.

The federal IV-D program consists of a static amount of performance-based grants awarded to states on a competitive basis depending on performance regarding specified metrics. These metrics include: (1) paternity-establishment performance level, (2) support order enforcement performance level, (3) current payment performance level, (4) arrearage performance level, and (5) cost-effectiveness performance level.

Indiana's most recent performance rankings under the IV-D funding metrics for FFY 2012 are as follows: (1) 11th in paternity establishment, (2) 36th in support order establishment, (3) 31st in current support collections, (4) 11th in cases paying on arrears, and (5) 15th in cost-effectiveness. The first three metrics have more weight than the last two metrics when calculating the IV-D funding a state receives. For FFY 2011, Indiana received \$11,560,438 in IV-D funding, which was a decrease from FFY 2010 of \$641,541.

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: DCS.

Local Agencies Affected: Local probation departments.

Information Sources: Brady Brookes, DCS.

Fiscal Analyst: Bill Brumbach, 232-9559.